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SUBJECT: CAMEROON: EXPECTATIONS FROM MINING INVESTMENTS FUEL
TENSIONS IN EAST AND NORTH

¶1. (SBU) Summary: Facing sluggish economic growth, declining oil reserves and under- and unemployment that have rendered the population volatile, the Government of Cameroon (GRC) has hitched its economic development to a series of ambitious mining projects. Recent visits to the East, Adamaoua, and North provinces revealed impatience and frustration from exactly those populations that have the most at stake from the promised development. Inhabitants of the East and North provinces especially have grown impatient with repeated promises of jobs and investment with negligible tangible follow up, a resentment exacerbated by significant migration of job-seekers from other provinces, fanning local resentment and ethnic tensions. The GRC and its partners, including American entities Geovic and Hydromine, will need to improve their outreach or risk inviting negative blowback. End summary.

¶2. (U) Emboffs recently traveled to the East, Adamoua, and North Provinces to learn how realities on the ground matched the GRC's call for more investments in the mineral sector and especially to see how local populations were reacting to these upcoming economic changes.

The East Province: Locals
Impatient with American Geovic

¶3. (U) Emboffs met with a number of government officials and other observers in Cameroon's East Province, where a consortium led by American company Geovic is planning to mine cobalt (for use in rechargeable batteries, airplane parts and other industrial processes). Cameroon has no industrial mining; among the half-dozen mining projects on the GRC's drawing board, Geovic is the most advanced, by at least two to three years.

¶4. (SBU) Adolphe Lele Afrique, the Governor of the East Province, bemoaned the province's poverty, which has persisted despite repeated promises of development and a wealth of natural resources, including gold, nickel, cobalt, manganese, iron, rutile and bauxite. Many of Cameroon's most ambitious projects--including the construction of the Lom Pangar dam, the mining projects of Ngaoundal and Lomie--are situated in the East Province, but the population is too poor and uneducated to take advantage of the skilled jobs that might be created, leading to resentment of the better-positioned economic migrants from other provinces (and ethnic groups).

¶5. (U) The East Province's economic backwardness is evident in the artisanal mining sector. Local populations, including the Bayas and Kakas, and migrants from Cameroon's North, practice dangerous and difficult artisanal gold mining. The GRC has tried to bring some regulation to the sector, issuing special identity cards for the mining work force and creating, with funds from multilateral debt relief, the Small Scale Mining Support Mechanism (known as CAPAM, its French acronym). CAPAM is a government agency charged with disseminating information on administrative resources, technical

training, and the commercialization of outputs. CAPAM has succeeded in organizing mine workers to form common initiative groups known as "gicamines." Each year, CAPAM provides the gicamines with shovels, crowbars, wheelbarrows and motor pumps. The mining is still dangerous and relatively unregulated--children are often used to descend into the pits--but CAPAM has made some efforts to improve conditions, providing funding for a primary school, for example. In a sign of the GRC's ambition to enhance mining activity, the Ministry of Mines and Industrial Development recently granted the Korean-Cameroon Mining Corporation (KOCAM) a license in early 2008 to dig and start semi-industrial mining.

¶6. (SBU) Jean-Edouard Massamah, a Lomie municipal official, vented to Emboffs his frustration with Geovic's project, which he derided as a "hoax." He complained that nothing had been done in more than a decade while the CAMIRON [Australian-led] iron ore project at Mbalam had moved further in just a few years. Comment: As Emboffs countered, the comparison between CAMIRON and Geovic is inaccurate. Geovic is widely viewed as having blazed the regulatory trail that CAMIRON and others are now following. Far from a "hoax," Geovic is Cameroon's best hope for industrial mining in the near future and a project that has earned the confidence of institutional investors like Citigroup. End comment. Massamah admitted that his frustration, shared by the local population, is based on his experience with logging projects, where operations and payoffs to the local community begin immediately. In the mining sector, by contrast, the need for long-term planning and new infrastructure delays the return to the local community.

The North Province: Uranium
Projects Yet to Materialize

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¶7. (SBU) In Cameroon's North Province, a long-promised project to develop uranium deposits in the Faro Division region of Poli has been the subject of speculation since at least the early 1970s. A Canadian mining operation, Nu Energy, has been replaced (in a hostile and opaque series of maneuvers) by Mega Uranium, a Cameroonian entity recently awarded a five year exploration permit from the Ministry of Mines and Industrial Development. The population is particularly sensitive to the risks of uranium, and the Catholic NGO "Justice and Peace" moderated a May 2008 town hall meeting to discuss the proposed development as well as rumors of contamination of local lands and populations.

Adamaoua Province: American-led
Hydromine Faces Skeptical Population

¶8. (SBU) Similar events are unfolding in Adamaoua Province, where the US-led Hydromine consortium announced the development of a large bauxite mining operation that promised jobs and increased development. In September, Hydromine obtained a long-sought 18 month extension on its exploration license. However, in a recent meeting with the Ambassador, Adamaoua Governor Enow Abrams Egbe emphasized the growing hostility by the local population towards Hydromine. A lack of information on the part of the consortium, paired with a lack of perceived progress is increasing frustration while further reducing the credibility of investors and of the regional government. He stressed the necessity for more open communication between the operation, the populace, and the local authorities.

Internal Migration and Ethnic Tensions

¶9. (U) In all of these regions, the "buzz" about mining projects has attracted people from other regions of Cameroon. Adolphe Lele Afrique, the Governor of East Province who previously served as Prefet of Benoue Division in the North Province, told Embassy staff that migration was linked to the anticipated economic development that mining industries would generate soon. He added that this made the situation potentially explosive in all the regions being considered for mining investments.

¶10. (U) In Lomie, for example, the project attracted migrants from the Center and West Provinces of Cameroon. Geovic's preliminary hiring, which favored the better educated, often better qualified migrants from the West Province, led some local elites to criticize publicly the migrants, which added to the tensions. The Sous-Prefet of Lomie, Bitounou Owona, deplored the difficult coordination among local elites and told Poloff the government would be watching the situation carefully.

¶11. (SBU) In Poli, the migrants mostly came from the Far North Province. According to Prefet Mbiwan Nchaffu the composition of the population of the Division has drastically changed in the last ten years, growing to a point where migrants outnumbered locals. He was concerned for the implication on local job prospects since people from the Far North are seen as hard workers and better educated. He and others commented that the imbalance in the population is starting to create ethnic tensions which could exacerbate when job recruitment begins.

¶12. (SBU) Comment: The frustration expressed by the populations we visited is disquieting, but not surprising or unique; no region of Cameroon can be said to be "developed," and impatience is running high around the nation. The bitter nativism of local communities is unjustified (the jobs should be offered to the most qualified candidates, regardless of ethnicity), but understandable; with so few opportunities for work, it is unsurprising that local communities would feel protective. Foreign companies make an easy target for frustrated local populations who, in today's Cameroon, have very low expectations that government will provide solutions or create jobs. Potential investors would be wise to enhance their communication and outreach with the local populations (and we will reiterate as much with Geovic, Hydromine and other American projects) because they run the risk of incurring the population's wrath. However, the responsibility also rests with the GRC, which has yet to prove it is capable of facilitating an industrial mining project.

GARVEY.